

50X1

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

CONFIDENTIAL

~~SECURITY INFORMATION~~

This Document contains information affecting the National Defense of the United States, within the meaning of Title 18, Sections 793 and 794, of the U.S. Code, as amended. Its transmission or revelation of its contents to or receipt by an unauthorized person is prohibited by law. The reproduction of this form is prohibited.

COUNTRY	USSR (Moscow Oblast)	REPORT		50X1
SUBJECT	1. Management of and Working Conditions at KB-3, Krasnoarmeysk		DATE DISTR.	18 March 1954
	2. Zavkom at KB-3		NO. OF PAGES	9 50X1-HUM
DATE OF INFO.				
PLACE ACQUIRED				

THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
THE APPRAISAL OF CONTENT IS TENTATIVE.
(FOR KEY SEE REVERSE)

	50X1-HUM
	50X1

2. Throughout the report, Krasnarmeyskiy should read Krasnoarmeysk. On page 2, paragraph 2, Zakhanityki should probably read Zakhanitskiy. The name was previously reported as Zachanitskiy.

	50X1
--	------

CONFIDENTIAL

STATE	#X	ARMY	#X	NAVY	#X	AIR	#X	FBI	AEC										
(Note: Washington Distribution Indicated By "X"; Field Distribution By "#")																			

50X1

50X1

C O N F I D E N T I A L

REPORT

50X1-HUM

COUNTRY : USSR (Moscow Oblast)

DATE DISTR: 8 FEB. 54

SUBJECT : 1. Management of and Working Conditions
 at KB-3, Krasnoarmeysk
 2. Zavkom at KB-3

NO. OF PAGES 8

NO. OF ENCLS.
(LISTED BELOW)SUPPLEMENT TO
REPORT NO.

50X1-HUM

THIS IS UNEVALUATED INFORMATION

50X1-HUM

MANAGERIAL RESPONSIBILITY IN PRODUCTION SCHEDULES

1. The assignments of projects to be carried out at KB-3 were issued by the Ministry of Agricultural Machine Construction (M.S.Kh.M.).

the chief of KB-3 made recommendations to the Ministry or rather submitted a list of projects which his installation was capable of executing and that on the basis of this list the Ministry issued authorization for specific projects as well as the schedule for the completion of the projects. Once the assignment was issued, the chief of KB-3 probably had no further influence on the development work, and the projects had to be met without deviation. In issuing an assignment it is most probable that the Ministry gave heed to the manpower and other resources available at KB-3. Often, however, additional resources were required at KB-3 to carry out a given assignment.

50X1-HUM

50X1-HUM

C O N F I D E N T I A L

SECURITY INFORMATION

C O N F I D E N T I A L

50X1

-2-

2. Toward the beginning of 1947 at a time when the Design Bureau had only a skeleton staff, the question of additional manpower was raised by the chief with General ZAKHARITEKI, who headed the Armament Section of the M.S.Kh.M. The Ministry promised to furnish KB-3 with additional employees but stated that it was impossible to supply KB-3 with experienced engineers and that it could furnish only young graduate engineers. The implication of this incident is that the chief of KB-3 was not authorized to hire engineering personnel. He did have some hiring power, but this was confined to unskilled laborers who were procured locally. [redacted] the supply of experienced engineers was restricted and that the distribution of this supply was centrally controlled by one or several ministries. Furthermore, the distribution of engineering graduates leaving school was also centrally controlled. 50X1-HUM
3. In requesting additional personnel, the chief of the Design Bureau was governed also by budgetary considerations. [redacted] the budget was on an annual basis and not on the basis of projects handled by KB-3. [redacted] 50X1-HUM
[redacted] prior to every October Revolution anniversary, the program for the coming year had to be outlined. A rough schedule of the projects that KB-3 was thought to be in a position to carry out was compiled. This schedule was in the chronological order in which these projects were to be handled, with the time and personnel required for each project. [redacted] 50X1-HUM
[redacted] on the basis of this compilation the chief of KB-3 estimated the budget requirements for the forthcoming year and forwarded this estimate to the M.S.Kh.M. 50X1-HUM
4. In the early days [redacted] the German specialists would generally receive a preview of the work that was expected during the coming year. Later, the Soviets were less generous; a few weeks prior to completion of a project the German head of a group was called to the chief and informed of the requirements for the next project. But whether this was a local procedure or a change in ministerial policy is not known [redacted] 50X1-HUM
5. [redacted] the CP or the trade union did not have any influence in the determination of the annual production schedule. For that matter neither organ had any influence at all on the German personnel at KB-3, nor [redacted] any influence on the Soviets either. It is possible of course that the interest of the party was represented by the chief of the Design Bureau, [redacted] he was not a member of the Communist Party. 50X1-HUM

C O N F I D E N T I A L

C O N F I D E N T I A L

50X1

-3-

MEASURES TO CHECK ADHERENCE TO PRODUCTION SCHEDULE

6. In view of the segregation of the German and Soviet elements at KB-3, it was difficult [] to observe the measures used to insure adherence to the production schedules. [] the Soviets placed great importance on the completion of an assignment by the scheduled termination date. In the early years [] the Soviet engineers working late into the night at their drawing boards. Later this practice was discontinued, apparently as a result of intervention on the part of the trade union. (This was the only instance [] of positive interference by the trade union) The principal requirement was to submit a complete report on the project together with the complete set of drawings. In addition to the detailed report covering the project as a whole, reports had to be submitted which dealt with the various separate phases of the project, such as the ballistic report, aerodynamic report, etc. Insofar as the purpose of [] work was the completion of a report on specific requirements, this was hardly a check on our adherence to a given schedule. This, however, is a problem the Soviets must face in regard to all creative work. 50X1-HUM 50X1-HUM 50X1-HUM 50X1-HUM
7. A more positive attempt to provide incentive to speed production was made only once early in 1947. It was suggested to the German specialists that they engage in a competitive program with another Soviet enterprise. Nothing, however, came of the "Socialist Competition". Other measures of this nature were the bonuses described below [see Para. 17] and the wall newspaper [see Para. 20d]. [] no [] influence on speeding the work pace at KB-3. 50X1-HUM
8. Additional checks in form of periodic progress reports which reflected the various intermediary phases of the project were not required [] It is possible, however, that [] day-to-day progress was checked by the Soviet supervisor of the [] specialists. If this was indeed his function, [] it did not have an unpleasant effect [] TROMMSDORF was perhaps an exception, for [] complain about the constant nagging of the Soviet supervisor, whom he regarded as his enemy. However, since TROMMSDORF was often tardy, the difficulties were probably caused by him. 50X1-HUM
9. [] submitted monthly progress reports to the Soviets. This took place shortly after the general slash in the salaries of the German specialists. [] performed the required work in less time than was planned and where applicable, showed that the plans were more than satisfied [] purpose was to have [] salaries raised to the original level. 50X1-HUM 50X1-HUM 50X1-HUM 50X1-HUM

C O N F I D E N T I A L

C O N F I D E N T I A L

50X1

-4-

MANAGERIAL DIFFICULTIES WITH GERMAN SPECIALISTS

10. [] the German specialists began to submit on their own volition monthly progress reports after the slash in their salaries. One reason for this action was [] the chief of KB-3 might not be accurately reporting [] to his superiors. [] it was in his interest to show the German specialists in an unfavorable light. [] DAVISHEV was responsible for the salary cuts and that he was intent on defending this measure by emphasizing [] inefficiency to his superiors.

50X1-HUM

50X1-HUM

50X1-HUM

11. [] the chief of KB-3 was forced into this policy as a result of discontent among the Soviet engineers at KB-3 over the great differential that existed between their salaries and that of the Germans. The spark which set off the salary reduction, however, was the discovery by the Soviets of various falsifications among some of the specialists in the USSR. For example, some Germans had identified themselves to the Soviets as professors or dipl. ing., whereas in reality they had a much lower academic degree or none at all. Such a case occurred at KB-3.

50X1-HUM

TRADE UNION AND PARTY ORGANS AT KB-3

12. [] all the Soviets employed at the Design Bureau were members of the trade union. [] whether such membership was obligatory, but this is a matter of semantics since certain functions which affected all employees were within the jurisdiction of the trade union, such as the problem of leaves. [see Para. 20g below]. [] to what trade union the Design Bureau No. 3 belonged, except that the athletic teams of the plant, which were sponsored by the trade union, were called "Tractor".

50X1-HUM

50X1-HUM

50X1-HUM

13. [] the function of the trade union in the USSR is different from the trade union's function in a free economy. In the USSR the object is not so much to represent the interests of the workers in conflict with the management but rather to represent the interests of the state or the management. The major aim is to increase the productivity of the plants. [] a conflict between the trade union and the management of KB-3. Occasionally, minor ills affecting productivity were brought to light by the trade union; however, the trade union acted in the interest of the management in attacking such conditions. Exposés like these were published on the plant's blackboard newspaper, but this newspaper contained nothing that a plant newspaper issued by management in a free economy would not publish. Comparing the trade union of the USSR with the state-controlled union in Germany during the Nazi regime, []

50X1-HUM

50X1-HUM

50X1-HUM

C O N F I D E N T I A L

C O N F I D E N T I A L

-5-

50X1

[] even the German union was more representative of the workers than the Soviet trade union. Consequently, the workers did not have faith in the trade union as an organization which would champion their grievances. When a regulation was issued in the plant which ordinarily would have been contested by [] workers, the Soviets would resign themselves in the belief that it would be futile to approach the trade union.

50X1-HUM

50X1-HUM

14. The trade union's concern with administrative matters does not mean that there were no problems requiring remedial action. The relatively low wage scales of the unskilled and semi-skilled workers and the tremendous difference in pay between these and the new elite, the engineers, would ordinarily give rise to grim conflicts. However, this problem and others were never attacked by the trade union. A steadily rising productivity rather than salary problems was the sole concern of the Soviet trade union in KB-3.

WORK CONDITIONSSalaries

15. [] the wage scales of the Soviet employees except that they were much lower [], although some leveling occurred when [] were slashed and the salaries of the Soviet engineers somewhat raised. []

50X1-HUM

50X1-HUM

[] the Soviet citizen generally regards his lot as pre-ordained or at least based on an unalterable decision from above.

50X1-HUM

16. Soviet women and men working at KB-3 were paid the same wages, which appears to be an application of the principle of equal pay for equal work. However, [] no [] Soviet women in leading positions either at KB-3 or any other place while in the USSR. []

50X1-HUM

50X1-HUM

[] women were not talented in the field of engineering, [] they were industrious but not creative, but [] no discriminatory regulations barred women from technical schools.

50X1-HUM

17. The salaries of the engineers were occasionally supplemented by bonuses. These bonuses were paid out of a special fund available to the chief of KB-3 and were approximately equal to one half or one third of their monthly wages. These bonuses, [] were received most frequently by the lower echelon of workers and constituted an incentive for industriousness. The hours of work at KB-3 were 8 hours for six days per week. [] overtime was paid to lower ranking personnel but that above a certain level, overtime work was compensated by leave time.

50X1-HUM

50X1-HUM

C O N F I D E N T I A L

C O N F I D E N T I A L

50X1

-6-

Absenteeism

18. Tardiness was severely proscribed in KB-3. Personnel were re-50X1-HUM required to arrive ten minutes prior to commencement of work. Reports of lateness were made to the chief of the design bureau and repeated tardiness could result in salary deductions. [redacted] no [redacted] such a practice was effectively discouraged by severefines. [redacted] 50X1-HUM no [redacted] knowledge of such a case in Krasnoarmeyskiy [redacted] 50X1-HUM [redacted] in the case of repeated absenteeism a corrective labor camp 50X1-HUM sentence could be meted out. As a result of this severe policy the Soviets at KB-3 were rarely absent from work.

Miscellaneous

19. A dayroom filled with magazines, newspapers, parlor games, and a centrally controlled radio was provided. A community samovar was available for the employees during tea breaks. Sanitary conditions were extremely poor at KB-3. The offices were sufficiently heated during the winter months, but the ventilation was very poor. Except in the larger offices, no flue ventilators were provided. Throughout the winter, therefore, when the windows of the KB-3 buildings were sealed with putty and paper, no airing of the rooms was possible. The lighting was fairly good at KB-3. After the completion of the transformer station in 1947, [redacted] constant an 50X1-HUM steady supply of 220 and 380 voltages. Air raid tests were not conducted [redacted] no [redacted] activity which might be construed to be of a paramilitary nature except for school children between the ages of 12 and 14 who performed rifle drills during their gym period at 50X1-HUM school.

ZAVKOM IN KB-3

20. Details on the organization of the zavkom are not known [redacted] 50X1-HUM Positions of the zavkom were elective and tenure was for a period of two or three years. The elections took place within the Design Bureau. [redacted] whether members of the zavkom were 50X1-HUM required to be members of the Communist Party. Hardly any campaigning activity accompanied the selection of zavkom members. [redacted] the functions of the zavkom were 50X1-HUM strictly administrative and dealt with the followings
- a. Organization of communal trips, vacations and the procurement of theater tickets.
 - b. Appointment of a plant safety engineer who checked adherence to plant safety regulations.
 - c. Grievance Committee. [redacted] 50X1-HUM [redacted] it was obvious that the employees of KB-3 made no use of this office in order to seek redress but instead submitted apathetically to rulings of the plant regardless of how personally onerous those rules may have been.

C O N F I D E N T I A L

C O N F I D E N T I A L

50X1

-7-

- d. Wall newspaper. [] this was under the jurisdiction of the zavkom. The articles did not deal with political questions but exclusively dealt with inner plant affairs, morale questions, socialist competition, and statistical quotations on production.
- e. Voluntary Self-Obligations. Shortly prior to the October Revolution celebration, each section of KB-3 would decorate its offices with banners containing slogans saying they would increase their production by a certain percentage or complete their planned production ahead of schedule. [] these programs were organized by the zavkom. Usually the German specialists were not involved in these programs, but at one time the Soviet supervisor of a German group made some utterly unrealistic obligations in the name of the German group.
- f. Sickpass Compensation. [] this was also under the direction of the zavkom. Three categories of compensation existed based on the length of employment. After ten years' employment 100 per cent compensation was paid in case of illness. After five years' employment approximately three quarters of the standard salary was paid, and after three years' employment only 50 per cent of the salary was received.
- g. Leave. Payments for leave and other social services were from the funds of the trade union of the plant; the industry pays only for the actual work performed by employees. The leave period of the employees had to be staggered throughout the year in consideration of the liquidity of the trade union fund. Although each section or department was asked to draw up a list of leave preferences, the final leave period was determined by the zavkom always so that the leaves were distributed over the whole year. This meant of course that some employees were favored insofar as their leaves fell into the favorable climatic period. At KB-3 this problem was a bit more complex since many of the unskilled workers came from the surrounding farms and were given preferential treatment with respect to leaves so as to permit them to till their land. This meant that the non-farmers could expect to receive their leaves, not when requested nor during the good season but only in periods of inclement weather.
- h. Distribution of Newspapers. There was a shortage of newspapers and journals in Krasnoarmeyskiy [] so extreme that the demand was much greater than the supply. The zavkom therefore had the

50X1-HUM

50X1-HUM

50X1-HUM

50X1-HUM

C O N F I D E N T I A L

C O N F I D E N T I A L

50X1

-8-

function of distributing the few newspapers that were assigned to the Design Bureau. One reason for the shortage seems to have been that prior to the currency reform the old-paper value was higher than the cost of the paper. In Moscow the shortage was fairly soon alleviated, but it continued in Krasnoarmeyskiy until 1952.

Effectiveness of the Zavkom

21. Since the members of the zavkom were elected for a relatively short period, they were willing tools of the chief of KB-3. Although they probably did enjoy some form of immunity while in office, they still had to fear that they might be subjected to the whims of the chief after the expiration of their term of office. When employees were subjected to arbitrary rulings of the chief, they would never seek the protection of the trade union zavkom. From this fact, therefore, there was no conflict between the chief of KB-3 and the zavkom.

50X1-HUM

C O N F I D E N T I A L